



**CITY OF SCOTTSDALE  
TOURISM DEVELOPMENT COMMISSION  
REGULAR MEETING**

**Tuesday, May 21, 2019**

**Kiva Forum – City Hall  
3939 N. Drinkwater Boulevard  
Scottsdale, Arizona 85251  
APPROVED MINUTES**

- PRESENT:** Linda Dillenbeck, Chairperson  
Carl Grupp  
Camille Hill, Vice Chair  
Sherry Henry  
Ken McKenzie  
Richard Newman
- ABSENT:** David Winter
- STAFF:** Karen Churchard  
Ana Lia Johnson
- GUESTS:** Rachel Sacco, Experience Scottsdale  
Carolyn Stockel, Experience Scottsdale  
Rick Phillips, RND Events

**1. Call to Order/Roll Call**

Chair Dillenbeck called the meeting of the Scottsdale Tourism Development Commission to order at 8:01 a.m., and noted the presence of a quorum.

## **2. Approval of Minutes**

- April 16, 2019 Regular Meeting Minutes

Chair Dillenbeck called for comments and/or changes. Chair Dillenbeck made a grammatical correction.

COMMISSIONER GRUPP MOVED TO APPROVE THE REGULAR MEETING MINUTES OF THE TOURISM DEVELOPMENT COMMISSION OF APRIL 16, 2019 AS AMENDED. COMMISSIONER NEWMAN SECONDED THE MOTION, WHICH CARRIED 6-0 WITH CHAIR DILLENBECK, VICE CHAIR HILL, COMMISSIONERS GRUPP, HENRY, MCKENZIE AND NEWMAN VOTING IN THE AFFIRMATIVE WITH NO DISSENTING VOTES.

## **3. Annual Planning Work Study Session**

Karen Churchard stated that the session is scheduled for Tuesday, September 17th with the main topic being tourism program funding. Commissioner Henry shared concerns about how this will affect the whole community. She would like to see a plan to address why this is happening and how it is affecting everyone. Chair Dillenbeck commented that the overarching theme is the potential that funds may be more limited this year and for the next few years after funding the stadium. The discussion should be in alignment with Experience Scottsdale's efforts, City Council wishes and a strategy for best supporting the City.

## **4. National Taco Championship - New Event Development Request**

Ms. Churchard stated that the Taco Group is the producer of a national taco championship event. They are requesting to receive up to \$75,000 for the event in support of a one-year funding agreement. Rick Phillips, RND Events, stated that this is the tenth anniversary for the event and outlined the event's history. This year, the event will finally be moving to WestWorld. It has traditionally been a two-day event with up to 40,000 in attendance. The event has been taken on the road to five or six markets over the past five to six years and each have been successful, sold out events, the most recent being in Austin, Texas. The events include a taco championship competition with winners sharing the \$10,000 prize. Restaurants from around the country are being invited to compete. The judges receive training on how to evaluate the tacos via a blind scoring process.

Millennials (40 percent) are the primary target market, as the previous years have demonstrated this to be the core demographic attendee. The gender split is comparable. There has been a kid zone for ten years to appeal to families and those under 12 years receive free admission. Event hours, pricing and marketing outreach schedule were reviewed. There are several lead-up events, including Margarita Wars, Taco 101 and Rock the Block. Positive economic impacts were reviewed. The advertising plan includes bus shelters, billboards, print in New Times, listings in event calendars with a significant investment in digital marketing. The City will be named in every piece of marketing literature as the sponsor (i.e., "Presented by the City of Scottsdale").

Commissioner Newman asked for more detail regarding national media exposure. Mr. Phillips stated that they are currently speaking with the Food Network, which is interested in filming the event, however he acknowledged that this is not guaranteed. There is a robust plan to involve national brands and talent, however it is very early in the process to report on specifically confirmed talent/brand involvement.

In response to a question from Commissioner McKenzie, Mr. Phillips stated that this was his second time coming before the Commission and first time presenting. The event was approved for funding after its first presentation. Commissioner McKenzie noted that the event is requesting \$75,000, but only plans to spend \$50,000 on marketing. Mr. Phillips stated that the remaining \$25,000 will go to raising the platform of the event.

Commissioner Henry noted the importance of having statistics regarding effects on bed tax revenue and asked whether onsite research has been considered. Mr. Phillips stated that they will be using RFID bracelets in order to capture information. They will also monitor activity with the event's partner hotels. Commissioner Grupp encouraged them to employ methods for tracking room nights, as this is a very important consideration for the Commission.

In response to a question from Commissioner Grupp regarding developing it as a national event, Mr. Phillips stated that they had made a decision to not rush to reach that level, but to focus on making the local event as robust as possible. This is a primary reason for making it a week-long event.

In response to a question from Chair Dillenbeck, Mr. Phillips said the contract with WestWorld is for a three- to five-year duration. They have also partnered with M Culinary.

Chair Dillenbeck inquired as to how Scottsdale attendance compares with other markets. Mr. Phillips prefaced the answer by stating that they have previously never attempted to run the event for more than one day. The one-day events have garnered 4,000 to 7,500 guests. There will not be a final competition in Las Vegas this year. By inviting a national audience to Scottsdale, it will serve as the de facto final. There are over 100 similar festivals around the country. Scottsdale was the first and this fact is included in marketing materials.

Chair Dillenbeck asked whether other cities support the event via funding. Mr. Phillips stated that the event has never been able to get an audience with a city within enough time to garner financial support.

COMMISSIONER GRUPP MOVED TO RECOMMEND FUNDING IN THE AMOUNT OF \$75,000 FROM EVENT DEVELOPMENT FUNDS. COMMISSIONER HENRY SECONDED THE MOTION, WHICH CARRIED 6-0 WITH CHAIR DILLENBECK, VICE CHAIR HILL, COMMISSIONERS GRUPP, HENRY, MCKENZIE AND NEWMAN VOTING IN THE AFFIRMATIVE WITH NO DISSENTING VOTES.

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**5. Staff Reports**

- a. Staff Bed Tax Collection Report**
- b. Staff Bed Tax Hotel Classification Report**
- c. Bed Tax Proforma**
- d. Program Updates**

Ms. Churchard acknowledged Commissioner Grupp for his service, as this is his last meeting, and presented him with a gift of thanks. Vice Chair Hill also expressed thanks and presented Commissioner Grupp with a gift.

Ms. Churchard stated that February bed tax collections were up 8 percent and year to date up 18 percent. Retail tax collections were also up year to date 7 percent. Restaurants are up 10 percent. The year to date hotel classification report for February indicates that resorts were up 4.6 percent. Full service properties were slightly down. Limited service properties were up 14.1 percent. The new category of other transient non-hotel is up 157.8 percent. The tentative budget was adopted by City Council at its last meeting and the operating budget is expected to be approved on June 11th.

Highlights from the March Smith Travel Report show that for the 50 tracked Scottsdale properties, occupancy was up nearly 2 percent. Daily rate was up 3.6 percent and revenue per available room was up 5.5 percent.

Chair Dillenbeck stated her understanding that they would be taking stadium debt service until year 20/21, however in 19/20, they are already showing almost a \$1 million. Ana Lia Johnson stated that this relates to timing. Per statute, the first payment must be done by July 1st of 2020. As such, the actual payment falls under 19/20.

Ms. Churchard addressed the FEI World Championships. The Department has been working with WestWorld and other partners on a proposal to host the Championships in August of 2022. The initial bid requires the Department to answer a number of questions and draft a budget. They will know in July if they have made the short list and would then schedule a formal presentation with the Commission. From that point, staff would make a formal presentation to the FEI in September. In addition, Ms. Churchyard, general manager of WestWorld, M Culinary representative and Austin Unger will travel to Lexington, Kentucky to make a formal presentation to the United States Equestrian Federation next week, which will provide an opportunity for Scottsdale to be in front of the group to showcase amenities, particularly in regards to WestWorld.

**6. Public Comment**

There were no public comments.

**7. Identification of Future Agenda Items**

There were no items noted.

Chair Dillenbeck read a statement of thanks to Commissioner Grupp for his service. Commissioner Grupp gave some parting comments.

The next Commission meeting will be on June 18.

**8. Adjournment**

With no further business to discuss, being duly moved by Commissioner Grupp and seconded by Vice Chair Hill, the meeting adjourned at 8:55 a.m.

AYES: Chair Dillenbeck, Vice Chair Hill Commissioners Grupp, Henry, McKenzie and Newman

NAYS: None

SUBMITTED BY:

eScribers, LLC